

Exhibit 1

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Transaction ID 64405672
Case No. 12533-VCZ



IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

REDEEMER COMMITTEE OF THE HIGHLAND	:	
CRUSADER FUND,	:	
	:	
Plaintiff, Counterclaim	:	
Defendant,	:	
	:	
v	:	C.A. No.
	:	12533-VCZ
HIGHLAND CAPITAL MANAGEMENT, L.P.,	:	
	:	
Defendant, Counterclaim	:	
and Third-Party Plaintiff,	:	
	:	
and	:	
	:	
HOUSE HANOVER, LLC and ALVAREZ &	:	
MARSAL CRF MANAGEMENT, LLC,	:	
	:	
Third-Party Defendants.	:	

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Chancery Courtroom No. 12A
Leonard L. Williams Justice Center
500 North King Street
Wilmington, Delaware
Wednesday, October 16, 2019
9:18 a.m.

- - -

BEFORE: HON. MORGAN T. ZURN, Vice Chancellor.

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STATUS CONFERENCE REGARDING CROSS-MOTIONS FOR SUMMARY
JUDGMENT

CHANCERY COURT REPORTERS
Leonard L. Williams Justice Center
500 North King Street - Suite 11400
Wilmington, Delaware 19801
(302) 255-0532

1 APPEARANCES:

2 KEVIN M. COEN, ESQ.
3 Morris, Nichols, Arsht & Tunnell LLP
4 -and-
5 TERRI L. MASCHERIN, ESQ.
6 GARRETT FITZSIMMONS, ESQ.
7 of the Illinois Bar
8 Jenner & Block LLP
9 for Plaintiff and Counterclaim Defendant
10 Redeemer Committee of the Highland Crusader
11 Fund

12 MICHAEL F. BONKOWSKI, ESQ.
13 KODY M. SPARKS, ESQ.
14 Cole Schotz, P.C.
15 for Defendant, Counterclaim and Third-Party
16 Plaintiff Highland Capital Management, L.P.

17 TIMOTHY R. DUDDERAR, ESQ.
18 Potter Anderson & Corroon LLP
19 for Third-Party Defendant House Hanover, LLC

20 ELENA C. NORMAN, ESQ.
21 Young Conaway Stargatt & Taylor, LLP
22 -and-

23 MARSHALL R. KING, ESQ.
24 of the New York Bar
Gibson, Dunn & Crutcher LLP
for Third-Party Defendant Alvarez & Marsal
CRF Management, LLC

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1 THE COURT: Good morning, everyone.

2 MR. BONKOWSKI: Good morning, Your
3 Honor. Michael Bonkowski for Highland Capital
4 Management, L.P.

5 I rise to let the Court know of a
6 bankruptcy filing made approximately 8:55 a.m. this
7 morning in the Delaware Bankruptcy Court. I have
8 copies of the petition if you'd like to see them. I'm
9 down to two, but I do have two.

10 THE COURT: Thank you.

11 MR. BONKOWSKI: I don't have anything
12 else to offer.

13 THE COURT: You've been busy. Do you
14 have any thoughts on the scope of the stay that would
15 flow from this, or any stay?

16 MR. BONKOWSKI: I didn't follow.

17 THE COURT: The scope of any
18 bankruptcy stay on litigation.

19 MR. BONKOWSKI: I assume the automatic
20 stay is kicked in with the filing. I understand there
21 will be a -- the talk that I just got was there should
22 be a hearing on Friday. A judge should be appointed
23 later this morning.

24 THE COURT: So what are your

1 recommendations for the Redeemer matter this morning?

2 MR. BONKOWSKI: I think it has to be
3 stayed, Your Honor.

4 THE COURT: All right. Thank you.

5 MS. MASCHERIN: Your Honor, Terri
6 Mascherin on behalf of Redeemer Committee.

7 This comes as some surprise to us.
8 We're prepared to go forward today, but obviously
9 we're required to respect the stay of the Bankruptcy
10 Court until we can get that stay lifted, which we will
11 endeavor to do.

12 THE COURT: Do you agree that under
13 the automatic stay statutes that we cannot go forward
14 today?

15 MS. MASCHERIN: That's my
16 understanding of the law, Your Honor.

17 THE COURT: All right.

18 MS. MASCHERIN: We'll move as
19 expeditiously as we can to have the stay lifted.

20 THE COURT: All right. Well, that is
21 my understanding of the law as well, that my hands are
22 now tied in this matter and we are under an automatic
23 stay. So I will just be on the lookout for what
24 you-all would like me to do next.

1 Is there anything else I can do with
2 the Redeemer matter this morning?

3 MS. MASCHERIN: No, Your Honor. Thank
4 you.

5 MR. BONKOWSKI: No, Your Honor. Thank
6 you.

7 THE COURT: All right. Thank you.
8 Then we will take a brief recess for that matter, and
9 we'll let the Patrick Daugherty folks set up, and then
10 we'll have probably a very similar discussion.

11 Thank you. We're adjourned.

12 (Court adjourned at 9:20 a.m.)

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CERTIFICATE

I, KAREN L. SIEDLECKI, Official Court Reporter for the Court of Chancery of the State of Delaware, Registered Merit Reporter, and Certified Realtime Reporter, do hereby certify the foregoing pages numbered 3 through 5, contain a true and correct transcription of the proceedings as stenographically reported by me at the hearing before the Vice Chancellor of the State of Delaware, on the date therein indicated.

IN WITNESS WHEREOF, I have hereunto set my hand at Wilmington this 16th day of October, 2019.

/s/ Karen L. Siedlecki

Karen L. Siedlecki
Official Court Reporter
Registered Merit Reporter
Certified Realtime Reporter